Washington State House of Representatives Office of Program Research

BILL ANALYSIS

Technology, Energy & Communications Committee

HB 2475

Brief Description: Protecting consumers from deceptive billing practices for electronic text messaging.

Sponsors: Representatives Liias, Reykdal, Ryu, Jinkins, Orwall, Cody, Billig, Fitzgibbon, Ladenburg, Darneille, Santos, Roberts and Pollet.

Brief Summary of Bill

• Provides that it is a violation of the Consumer Protection Act to charge a wireless customer a fee for a text message that is sent over the wireless provider's data network or over the Internet, if the customer already pays a fee for data service.

Hearing Date: 1/18/12

Staff: Kara Durbin (786-7133).

Background:

Federal law preempts states from regulating "the entry of or rates charged" by a wireless company. While states may not regulate the rates charged by a wireless company, states may regulate the "other terms and conditions" of wireless service. States may also petition the Federal Communications Commission (FCC) for the authority to regulate the rates for any wireless company if the state can demonstrate that market conditions with respect to such services fail to protect subscribers adequately from unjust and unreasonable rates or rates that are unjustly or unreasonably discriminatory.

Wireless companies generally offer at least three main services to their customers: voice, data, and text messaging services. Typically, customers may opt to pay for a certain allotment of text messages per billing cycle as part of their service, or may pay for text messages on a per message basis.

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This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

State law provides that it is a violation of the Consumer Protection Act to send a commercial electronic text message to a consumer without their consent, unless the text message is from the provider of the service to its subscriber.

Summary of Bill:

It is a violation of the Consumer Protection Act for a radio communications service company to charge a customer a per message fee for any electronic text message sent or received by the customer if: (1) the electronic text message is transmitted over the radio communications service company's data network or over the internet; and (2) the customer already pays a monthly fee or usage fee for the use of the radio communications service company's data network.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.